

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

UNITED STUDIOS OF SELF
DEFENSE, INC., a California
corporation,

Plaintiff,

vs.

KRISTOPHER RINEHART, MD, an
individual; BRENT MURAKAMI, an
individual; SOUTH BAY STUDIOS
OF SELF DEFENSE, LLC, a California
limited liability company; LOS
ANGELES STUDIOS OF SELF
DEFENSE, LLC, a California limited
liability company; S.B. NINJA, LLC, a
California limited liability company,

Defendant.

AND RELATED COUNTERCLAIMS

CASE NO. 8:18-cv-01048-DOC-DFM

The Hon. David Carter

**AMENDED JUDGMENT AND
ORDER**

This matter was before the Court on a bench trial held on October 29-31, 2019. The Action arises out of a contract dispute between United Studios of Self Defense Inc. (“USSD” or “Plaintiff”) and Kristopher Rinehart (“Rinehart”), Brent Murakami (“Murakami”) and entities owned wholly or partly by Rinehart and Murakami including Los Angeles Studios of Self Defense, LLC (“LASSD”), South

1 Bay Studios of Self Defense, LLC (“SBSSD”), S.B. Ninja, LLC (“S.B. Ninja”), and
 2 Rolling Hills USSD, LLC (“RHSSD”) (collectively, “Defendants”). Matthew
 3 Berliner, Eric Hardeman, and Adam Harris of Fortis LLP appeared on behalf of
 4 Plaintiff. Daniel DeCarlo and Esther Shin of Lewis Brisbois Bisgaard & Smith LLP
 5 appeared on behalf of Defendants.

6 Having considered the evidence at trial, all papers filed in connection with
 7 this matter, and statements made on the record,

8 **IT IS HEREBY ORDERED, ADJUDGED, AND DECREED** that
 9 judgment is entered in favor of Defendants as follows:

10 **Plaintiff’s Claims**

- 11 1. USSD’s claim for breach of contract as to the Redondo Beach Franchise
 12 Agreement has no merit and Defendants are the prevailing party on this claim.
- 13 2. USSD’s claim for breach of contract as to the Beverly Hills Franchise Agreement
 14 has no merit and Defendants are the prevailing party on this claim.
- 15 3. USSD’s claim for declaratory relief as to the Redondo Beach Franchise
 16 Agreement has no merit and Defendants are the prevailing party on this claim.
- 17 4. USSD’s claim for intentional interference with contract against Murakami and
 18 S.B. Ninja has no merit and Defendants are the prevailing party on this claim.
- 19 5. USSD’s claim for false designation/unfair competition under the Lanham Act
 20 has no merit and Defendants are the prevailing party on this claim.
- 21 6. USSD’s claim for unfair business practices under Cal. Bus. & Prof. Code §§
 22 17200 et. Seq. (“UCL”) has no merit and Defendants are the prevailing party on
 23 this claim.
- 24 7. USSD’s claim for accounting of profits made from Lanham Act violation has no
 25 merit and Defendants are the prevailing party on this claim.
- 26 8. USSD’s claim for declaratory relief under the Redondo Beach and Beverly Hills
 27 Franchise Agreements is GRATED in part as defined by the Court’s December
 28 4, 2019 Findings of Fact and Conclusions of Law.

1 9. USSD shall take nothing by way of its claims.

2 **Defendants' Counterclaims**

3 10. Defendants' counterclaim for declaratory relief as to the lack of formation of the
4 Redondo Beach Franchise Agreement is GRANTED and Defendants are the
5 prevailing party on this counterclaim.

6 11. Defendants' counterclaim for declaratory relief as to the right to rescind the
7 Rolling Hills and Torrance License Agreement is GRANTED and Defendants
8 are the prevailing party on this counterclaim.

9 12. Regarding Defendants' counterclaim for breach of contract as to the Beverly
10 Hills Franchise Agreement, Defendants have not shown any breach of the
11 Beverly Hills Franchise Agreement.

12 **Attorneys' Fees and Costs**

13 13. Judgment of attorney fees in the amount of \$1,177,238 plus costs of \$84,528.72
14 under California Code of Civil Procedure § 1717 is entered in favor of
15 Defendants and against Plaintiff United Studios Of Self Defense, Inc.

16 **Sanctions against Plaintiff and Charles Mattera**

17 14. The Court hereby grants Defendants' motion for terminating sanctions in part
18 but declines to terminate Plaintiff's case in its entirety. The Court does instead
19 hereby grant the motion in part by awarding all of Defendants' attorneys' fees
20 and costs against Charles Mattera and USSD jointly and severally as set forth
21 below in paragraph 16.

22 15. The Court hereby exercises its inherent authority to assess sanctions against
23 Plaintiff and Charles Mattera as the Court finds that Defendants are the
24 prevailing party and that both Plaintiff and Charles Mattera engaged in conduct
25 that amounts to bad faith in the prosecution of this Action. Charles Mattera
26 committed a fraud on the Court and his actions must be punished and as such, the
27 Court awards to Defendants as a sanction, all of Defendants' costs and attorneys'
28 fees incurred in this Action and that such award of fees and costs shall be joint

1 and several against Plaintiff and Charles Mattera as set forth below in paragraph
2 16.

3 16. Judgment of attorney fees in the amount of \$1,241,784 plus costs of \$84,528.72
4 under the Court's inherent authority to issue fees and costs as a sanction is
5 entered in favor of Defendants and against Plaintiff United Studios Of Self
6 Defense, Inc. and against Charles Mattera jointly and severally. The award set
7 forth in this paragraph is not cumulative with respect to paragraph 13 herein, but
8 instead offers two separate avenues for which Defendants may collect attorneys'
9 fees and costs in this case. Defendants are free to pursue fees and costs under
10 either theory.
11

12 The Court hereby enters final judgment in favor of Defendants in accordance
13 with the Court's Findings of Fact and Conclusions of Law and Order (ECF# 242)
14 and the Order Granting in Part Motion For Attorneys' Fees (ECF#259) which are
15 incorporated by reference. Plaintiff shall take nothing and Defendants are awarded
16 attorneys' fees and costs in the amount stated above.
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19 IT IS SO ORDERED.
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21 DATED: February 19, 2020
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24 The Honorable David O. Carter
25 United States District Judge
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